

Motor Vehicle Excise

All Massachusetts residents who own and register a motor vehicle must annually pay a motor vehicle excise tax. The tax is levied by the city or town where the vehicle is principally garaged and the revenues become part of the local community treasury. Unregistered motor vehicles are subject to the personal property tax.

Bill Preparation and Computation

Excise bills are prepared by the Registry of Motor Vehicles according to information on the motor vehicle registration. They are sent to city or town assessors who commit them to the local tax collectors for distribution and collection of payment. Commits are issued several times per year.

An excise at the rate of \$25 per one thousand dollars of valuation is levied on each motor vehicle. The valuation is based on the manufacturer's list price for the vehicle in its year of manufacture. Market value is not applicable to motor vehicle valuation for excise tax purposes. Massachusetts General Laws, Ch. 60A §1, establishes its own valuation formula for state tax purposes wherein only the manufacturer's list price and the age of the motor vehicle are considered. The formula is as follows:

In the year preceding the designated year of manufacture 50%
In the designated year of manufacture 90%
In the year succeeding the designated year of manufacture 60%
In the second year succeeding the designated year of manufacture 40%
In the third year succeeding the designated year of manufacture 25%
In the fourth and all succeeding years 10%

Owners of vehicles older than five years old should have a fixed excise tax bill for each succeeding year of ownership, and it should be based on a value which is no less than 10% of the manufacturer's list price in the year of manufacture for the vehicle being taxed.

Collection and Payment

Local tax collectors are responsible for collecting motor vehicle excise. Collectors may appoint

deputy collectors or may enter into agreements with collection agencies to assist them in the collection of delinquent accounts.

Payment of the excise is due 30 days from the mailing date of the excise bill. MGL Ch. 60A §2 states that "Failure to receive notice shall not affect the validity of the excise," which means that a person who does not receive a bill is still liable for the excise plus any interest and charges accrued. MGL Ch. 90 §26A states that "Every person in whose name a motor vehicle...has been registered...shall report any change of address in writing to the registrar within thirty days after the date on which such change was made." When changing address, therefore, contact the Registry of Motor Vehicles promptly to request an amended registration.

Abatements

If a vehicle owner thinks that he or she is entitled to an adjustment of his or her excise for any of the reasons which follow, he or she should pay the bill in full to avoid interest and charges for late payment. If an abatement is subsequently granted, a refund will be made to the taxpayer. Filing the abatement application, however, does not stay the collection of the tax. Applications for abatement are made to the Board of Assessors, and must be received by the assessors by December 31st of the year following the year of the excise (e.g., December 31, 2001 for a 2000 excise bill). When an abatement is granted, the excise bill is prorated by the month. If an abatement is denied by the local assessors, the denial can be appealed to the Appellate Tax Board of the Commonwealth of Massachusetts.

If your motor vehicle is sold or traded: If an excise bill is issued for a vehicle which has been sold, the seller must return the plates to the Registry of Motor Vehicles to get a return plate receipt, and file with the assessors an application for abatement, together with the return plate receipt and the bill of sale. If the plates were transferred to a new vehicle, the application for abatement must be accompanied by the bill of sale and a copy of the registration for the new vehicle.

If your motor vehicle is stolen: If the vehicle is stolen and not recovered within thirty days, the owner will be entitled to an abatement if the theft was reported to the local police within 48 hours of the discovery of the theft. After thirty days, the owner must surrender the registration to the Registry of Motor Vehicles and receive a lost plate affidavit. The lost plate affidavit and a copy of the police report of the theft should be presented to the Board of Assessors. Documentation from the insurance company attesting to the theft is acceptable in place of the police report.

If your motor vehicle is totaled: If the vehicle is declared a total loss due to an accident, the plates must be returned to the Registry of Motor Vehicles to receive a return plate receipt, or the registration must be surrendered to receive a lost plate affidavit. Either of these, together with documentation as to the disposition of the vehicle (e.g., a copy of the insurance company settlement or a receipt or bill of sale from a junkyard), must accompany the application for abatement filed with the assessors.

If you move: You must pay the excise to the community in which the vehicle was principally garaged as of January 1st. Motor vehicle excise bills are not prorated for a person moving within Massachusetts. If you moved out of state and registered your motor vehicle in a new state, a plate return receipt must be obtained, and submitted to the assessors with the application for abatement and copy of the new registration.

Exemptions

Chapter 60A §1 of the Massachusetts General Laws provides excise tax exemptions for vehicles owned by certain disabled individuals and veterans, prisoners of war, and certain charitable organizations. Having a vehicle with handicap plates or decals does not automatically entitle one to an excise exemption, as the statute requires that a person suffer certain losses to be exempt from motor vehicle excise.

For More Information

Questions about your motor vehicle excise should be directed to the Board of Assessors at Town Hall, 10 Mudge Way, in Bedford. The Assessors are available by phone at (781) 275-0046. Office hours are Monday through Friday from 8:00 a.m. until 4:00 p.m.